



**This form is to be used in conjunction with a rule review when ancillary documents are also being reviewed as part of the review process.**

Ancillary documents are interpretive or policy statements that advise the public of the Department's opinions, approaches, or likely course of action. They include documents such as Excise Tax Advisories (ETAs), Property Tax Bulletins (PTBs), and Revenue Policy Memorandums (RPMs). Ancillary documents do not have the "force of law" that a rule is given under the Administrative Procedures Act (Chapter 34.05 RCW). Court decisions, Board of Tax Appeals decisions (BTA), and Washington Tax Decisions (WTDs) **are not** ancillary documents.

Reviewer: Ed Ratcliffe Date Reviewed: 9/18/2000

Ancillary Document being reviewed  
(provide number and title): ETA 460.04.146—Deductibility of interest received on Investments or Loans Primarily Secured by First Mortgages or Trust Deeds on Nontransient Residential Properties.

Date last Issued: July 17, 1974

This document is being reviewed in conjunction  
with (provide WAC number and title): WAC 458-20-146 (National and state banks, mutual savings banks, savings and loan associations and other financial institutions)

Purpose of the document: The excise tax advisory (ETA) provides direction on the B&O interest exemption provided to financial businesses on loans primarily secured by first mortgages or trust deeds on nontransient residential properties.

Is the document clearly written? 

Yes	No
X	

Does the document provide accurate and useful information? 

Yes	No
X	



	Yes	No
Does the document provide information not currently in the rule?	<input checked="" type="checkbox"/>	<input type="checkbox"/>



**Review recommendation:**

- A. Update
- B. Repeal
- C. Leave as is
- D. Incorporate into rule and repeal

<b>X</b>

**Briefly explain your recommendation:**

**This ETA explains the application of the deduction for interest earned on loans secured by 1<sup>st</sup> mortgages or deeds of trust on properties that: 1) Have a residence but are not zoned for residential use; and 2) Are used for both nontransient and business purposes. The rule should incorporate this information to provide an easier and more binding source of guidance for taxpayers on this issue.**

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**Manager Action:**

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Accepted recommendation

Date: \_\_\_\_\_

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Returned for further review

Date: \_\_\_\_\_

Comments \_\_\_\_\_